

DATE: September 26, 2011

ADDENDUM #2

To Statement of Work (SOW) for Technology Services Issued By

Minnesota Office of Enterprise Technology

Project Title: OET and Agency Organizational Restructure

1. Proposal due date remains 09/27/2011, 5:00 pm CST
2. This Addendum modifies the SOW Amendment 1 published on 09/22/2011.
 - a. Replace SOW Evaluation Process Section with the following:
 - Experience (Required Skills) (20%)
 - Three References (5%)
 - Work Plan (35%)
 - Cost (30%)
 - Indemnity/Liability Language (10%)

DATE: September 22, 2011

ADDENDUM #1

To Statement of Work (SOW) for Technology Services Issued By

Minnesota Office of Enterprise Technology

Project Title: OET and Agency Organizational Restructure

3. Proposal due date remains 09/27/2011, 5:00 pm CST
4. This Addendum modifies the SOW published on 09/19/2011.
 - b. Replace SOW Evaluation Process Section with the following:
 - Experience (Required Skills) (30%)
 - Three References (5%)
 - Work Plan (25%)
 - Cost (30%)
 - Indemnity/Liability Language (10%)
 - c. Replace SOW General Requirements: Liability Section with the following:

Vendor must select one of the four provisions listed below and include in their response. This will be scored by the agency as a part of the evaluation process:

VERSION 1 (Standard)

Indemnification

In the performance of this contract by Contractor, or Contractor's agents or employees, the contractor must indemnify, save, and hold harmless the State, its agents, and employees, from any claims or causes of action, including attorney's fees incurred by the state, to the extent caused by Contractor's:

- 1) Intentional, willful, or negligent acts or omissions; or
- 2) Actions that give rise to strict liability; or
- 3) Breach of contract or warranty.

The indemnification obligations of this section do not apply in the event the claim or cause of action is the result of the State's sole negligence. This clause will not be construed to bar any legal remedies the Contractor may have for the State's failure to fulfill its obligation under this contract.

VERSION 2 (Standard compromise)

Liability

Each party will be responsible for its own acts and behavior and the results thereof. The Minnesota Torts Claims Act, Minn. Stat. § 3.736 and other applicable laws govern the State's liability.

VERSION 3 (Indemnity with notice and cooperation and capped.

Liability and Limitation of Damages)

The Contractor must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including reasonable attorney's fees incurred by the State for damages directly and proximately caused by the negligence of the Contractor while engaged in the performance of services under this contract. As a condition to the foregoing indemnity obligations, the State shall provide the Contractor with prompt notice of any claim for which indemnification shall be sought hereunder and shall cooperate in all reasonable respects with the Contractor in connection with any such claim. In accordance with Minnesota Statutes, Section 8.06, the State's Attorney General's Office must provide consent and approval with respect to Contractor's ability and right to control the handling of any such claim and to defend or settle any such claim with counsel of its own choosing.

The State agrees that Contractor, its principals, members and employees shall not be liable to the State for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the services performed hereunder for an aggregate amount in excess of the amount payable under the contract.

VERSION 4 (Indemnity with notice and cooperation, capped and some types of damages waived)

Liability and Limitation of Damages

The Contractor must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including reasonable attorney's fees

incurred by the State for damages directly and proximately caused by the negligence of the Contractor while engaged in the performance of services under this contract. As a condition to the foregoing indemnity obligations, the State shall provide the Contractor with prompt notice of any claim for which indemnification shall be sought hereunder and shall cooperate in all reasonable respects with the Contractor in connection with any such claim. In accordance with Minnesota Statutes, Section 8.06, the State's Attorney General's Office must provide consent and approval with respect to Contractor's ability and right to control the handling of any such claim and to defend or settle any such claim with counsel of its own choosing.

The State agrees that Contractor, its principals, members and employees shall not be liable to the State for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the services performed hereunder for an aggregate amount in excess of amount payable under the contract .

In no event shall Contractor, its principals, members, or employees be liable for consequential, special, indirect, incidental, punitive, or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs.)

- d. Replace Work Order template

STATE OF MINNESOTA

IT Professional Technical Services Master Contract Program Work Order

This work order is between the State of Minnesota, acting through its _____ ("State") and _____ ("Contractor"). This work order is issued under the authority of Master Contract T-Number 902TS, CFMS Number _____, and is subject to all provisions of the master contract which is incorporated by reference.

Work Order

1 Term of Work Order

1.1 *Effective date:* _____, or the date the State obtains all required signatures under Minn. Stat. § 16C.05, subd. 2, whichever is later.

The Contractor must not begin work under this work order until it is fully executed and the Contractor has been notified by the State's Authorized Representative to begin the work.

1.2 *Expiration date:* _____, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

2 Contractor's Duties

The Contractor, who is not a state employee, will: _____ [*Thorough Description of Tasks/Duties*]

3 Consideration and Payment

3.1 *Consideration.* The State will pay for all services performed by the Contractor under this work order as follows:

A. *Compensation.* The Contractor will be paid as follows: _____ [*For example; Resource Type hourly rate*]

Travel Expenses. Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Contractor as a result of this work order will not exceed \$____.

Total Obligation. The total obligation of the State for all compensation and reimbursements to the Contractor under this work order will not exceed \$____.

3.2 A) Invoices. The State will promptly pay the Contractor after the Contractor presents an itemized invoice and the OET Service Log (attached) for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted timely and according to the following schedule: Monthly. 10% per payment will be retained pursuant to (B) Retainage below.

(B) Retainage. Under Minnesota Statutes Section 16C.08, subdivision 5(b), no more than 90% of the amount due under this contract may be paid until the final product of this contract has been reviewed by the State's agency head. The balance due will be paid when the State's agency head determines that the Contractor has satisfactorily fulfilled all the terms of this contract.

4 Authorized Representatives

The State's Authorized Representative is [NAME, TITLE, ADDRESS, TELEPHONE NUMBER], or his/her successor. The State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Contractor's Authorized Representative is _____. If the Contractor's Authorized Representative changes at any time during this work order, the Authorized Representative must immediately notify the State.

5 Nonvisual Access Standards

Nonvisual access standards require:

- 1) The effective interactive control and use of the technology, including the operating system, applications programs, prompts, and format of the data presented, are readily achievable by nonvisual means;
- 2) That the nonvisual access technology must be compatible with information technology used by other individuals with whom the blind or visually impaired individual must interact;
- 3) That nonvisual access technology must be integrated into networks used to share communications among employees, program participants, and the public; and
- 4) That the nonvisual access technology must have the capability of providing equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

6 Liability Insert approved Clause

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as Minn. Stat.

required by Minn. Stat. §§16A.15 and 16C.05.

Signed: _____

Date: _____

CFMS Contract No. B- _____ Object Code: _____

3. STATE AGENCY

Individual certifies the applicable provisions of

§16C.08, subdivisions 2 and 3 are reaffirmed.

By: _____

(with delegated authority)

Title: _____

Date: _____

2. CONTRACTOR

The Contractor certifies that the appropriate person(s)
have executed the contract on behalf of the Contractor as
required by applicable articles or bylaws.

By: _____

Title: _____

Date: _____

OET Professional Technical Service Log
(Supporting documentation for service invoice)

Office of Enterprise Technology

Project: _____

Month: _____

Year:_____

Contractor Name:_____

[illegible]

Questions and Answers

September 21, 2011 Voluntary Vendor Meeting

Statement of Work for Technology Services Issued by Minnesota Office of Enterprise Technology

Project Title: OET and Agency Organizational Restructure

Opening remarks:

The Statement of Work asks vendors to provide proposals on three discrete efforts. Each of those three defined deliverables asks the chosen vendor(s) to provide a best practice framework that can be used by OET as a baseline.

The Statement of Work does not ask the vendor to participate in or execute the consolidation of IT at the State of Minnesota. The deliverables simply inform leadership at OET on best practices.

Related to Deliverable #1

1. You have training plans included. What is your definition of a training plan?

We are looking for what are the traditional training plans that exist in this type of an organization.

2. Can you define what training you are looking for?

No. That's what we are asking you for.

Related to Deliverable #2

3. How many endpoints do you have now?

It depends on the service. We are at the scale (60,000-70,000) for network and telephone service. Other services vary. We are looking for a definition of an organizational structure that would support provisioning of utility services that has a scale of 60,000-70,000 end points for all utility services.

4. Are we only to consider services you deliver today?

This is a best practices exercise. What are the services provided by an average centralized organization and what are the details of what's needed to support those services?

5. Are there any assumptions we should make about outsourcing?

No assumptions. Who delivers the service within the best practice construct is not important. We are interested in how the delivery entity would be organized and structured.

6. Deliverables 1 and 2 are asked for within the same time frame. Does the second deliverable build on the information in the first deliverable?

No. These are separate deliverables. One provides a guideline for a centralized IT shop. On provides a guideline for a centralized utility service delivery organization at the scale represented in the SOW.

7. The State has multiple hardware environments. Should this be factored in?

No. How you deliver IT is not being asked. What the organization looks like is what's being asked. What we are asking for is a generic best practice organizational framework that isn't based on our current environment.

8. Are you interested in best practices other than those published by an IT governing body?

Yes, but the best practices proposed need to be proven and verifiable.

9. Is there a best practices framework that is in place at the State today?

Not relevant to the request for proposal.

10. Is there an opportunity to assess current practices at the State?

No, not in this context

Related to Deliverable #3

11. Are there any assumptions to be made about people, that is are all people currently working in IT at the state available?

The purpose of the SOW is not to look at the whole consolidation from beginning to end. We are only interested in learning about best practices in three independent areas.

All questions about the current environment and how to transition them are out of scope for this request.

12. Are the SLA's tied to a service catalog?

No. This level is too complex. At this point we are not look at the transactional space, only at the framework.

13. Do we need to consider SLA's with vendors?

No. We are the vendor for this request. We are asking for a definable, comprehensive SLA construct that defines all services delivered by a comprehensive, centralized IT service delivery organization.

General Questions

14. What are the 902TS service categories included in this request?

Analyst Business or Analyst Re-engineering

15. Is this a funded project?

Yes.

16. What is expected in the last line of the section, “Responsibilities Expected of the Selected Vendor”, “Vendor will meet agreed to schedule deadlines, allowing sufficient time for internal review, testing and approvals?”

This is boiler plate language. Proposals should specify timelines and process.

17. Are you looking for a combine response or separate responses for each deliverable?

Separate section for each proposed deliverable response. Refer to # 3 in the Response Requirements section of the Statement of Work.

18. Are there any constraints about former state employees submitting a proposal?

No. But all proposals must be submitted by a 902TS vendor.

19. Does each area submitted need to include references?

Yes, but they can be the same references for each area.

20. Why do cost proposals need to be presented as both hourly and per milestone?

Contracts written on a milestone payment basis often produce cost savings.

21. Do the delivery dates include review and approval of deliverables?

Include dates, any changes to the SOW including additional steps in your reply. (Reference 3C in the Response Requirements section)

22. Why are you asked for ITIL certification as a required skill for the third deliverable? What does implementation of BMC have to do with this?

This is not an implementation of BMC. We are interested in following best practices of which ITIL is a standard framework. The requirement is “certification or 3+ years of experience in implementing IT Service Management.

23. Is there really a two week timeframe for deliverable #1?

Yes.

24. Will you have consultants for all 3 deliverables here at once?

The delivery dates are based on when we need to consume the deliverables. They are not necessarily reflective of the effort to produce them.

25. If Deliverable 2 and 3 were available earlier, would that be ok?

We would welcome that.

26. What's the penalty if a vendor misses the deadlines?

The work order states "The State's Authorized Representative will certify acceptance on each invoice submitted for payment".

27. Once you get the deliverables will you start implementing?

No, these deliverables will provide a starting point for our leadership to guide planning and decision making.

28. Are the dates for Solicitation Process fixed?

Refer to page 5, Process Schedule. Some of the dates are fixed; some are listed as "anticipated".

29. What is the Veteran-Owned Preference?

This is boiler plate language based on statutory requirements. Eligible vendors will receive up to a 6% preference in the evaluation of its proposal.

30. Who signs off on the deliverables?

OET

Questions and Answers Received by email before 9/21/11 5pm

1. Is Phase One on schedule? Will documents resulting from Phase One be available prior to the start of work on Phase Two?

Not relevant to the SOW.

2. As the project is conducted, what degree of involvement (e.g., assist in creating the new structure, review and comment on proposed structure, etc.) is desired on the part of
a. Local IT staff currently working in the agencies?
b. Agency customer staff?

The SOW is not asking for an implementation plan. The SOW is asking for is a generic best practice framework in three distinct areas. The question therefore, is not relevant to the SOW.

3. Are software developers at the agencies included in the OET consolidation?

Not Relevant.

4. Structural changes require cultural support to be effective and to "take hold". Does the SOW include culture change?

No. We are simply asking for generic frameworks based on best practices.

5. In item 1a, bullet point #3, on page 2, there is a reference to “Customized structure for different situations”. Could you provide examples of these “different situations”?

Different organizations deliver different products and services.

6. The final structure that is envisioned appears to be a centralized IT with some local agency based IT services in some instances, will the local agency actually report to the Commissioner of the Agency or to the STATE’s CIO?

Both

7. Is there a preference for the use of state facilities for facilitated sessions, as opposed to offsite facilities?

State facilities

8. Does OET have an existing governance structure to manage IT service delivery, budgets, and personnel?

Not relevant. What we are asking for is a generic best practice framework that isn’t based on our current environment.

9. The roadmap deliverable is due Oct. 21. Is this roadmap intended to be high-level, with a more detailed roadmap submitted at a later date?

Your proposal should address what you will deliver by Oct. 21.

10. Are version 1 & 2 of the roadmap and implementation guide due on Oct. 21st?

Your proposal should address what you will deliver by Oct. 21.

11. The Structural and Human resources Framework deliverable requires, “Confirmation of OET’s overall IT organizational structure as proposed for the purposes of consolidation.” What does OET mean by the term “confirmation”?

A check against best practices

12. Will services be provided on a Firm Fixed price or time and materials basis?

Submit both; refer to Response Requirements #3, fourth bullet, letter b.

13. Pg. 9 of the solicitation states that reimbursement for travel and subsistence expenses actually and necessarily incurred by the Contractor as a result of this work order will not exceed \$X. Does this mean that the state will pay for contractor travel to the client site?

We will not reimburse travel expenses actually incurred. All costs should be included in your total cost proposal.

14. Will work be conducted on a full-time basis at the client site?

Not necessarily. The deliverable is what we are interested in.

15. Would you prefer a proposal contain details for one area, or if a vendor is responding to more than one area is a consolidated proposal acceptable?

Separate section for each proposed deliverable response. Refer to # 3 in the Response Requirements section of the Statement of Work.

16. Are you intending on 3 references for each area of response?

Yes, but they can be the same references for each area.

Area One: Roadmap and Implementation Guide for Agency

17. Are there any OLAs or SLAs in place today?

What we are asking for is a generic best practice framework that isn't based on our current environment.

18. On a scale of 1 to 5 (5 being most mature) what is the maturity level of the Agency's service catalogs?

What we are asking for is a generic best practice framework that isn't based on our current environment.

19. Will an understanding of current state for each Agency be available to assure the "how to" guidelines cover the needed breadth of guidance?

What we are asking for is a generic best practice framework that isn't based on our current environment (Not an implementation guide).

20. Are there any collective bargaining agreements in place that could impact the final framework?

What we are asking for is a generic best practice framework that isn't based on our current environment (Not an implementation guide).

Area Two: Structural and Human Resource Framework for OET

21. What is OET's definition of "utility IT services"?

Refer to #2 in the Project Deliverables section. What we are asking for is a generic best practice framework that isn't based on our current environment. Your deliverable should define the industry standard. Feel free to define this in your deliverable.

22. Are the utility IT services defined? If not, is that in scope?

Refer to the answer in number 21 above. Without some form of definition, answering Part 2 will be quite difficult.

23. Are the groups intended to support the utility IT Services already defined? If so, can you provide those?

Your proposal should define the groups needed to support the best practice utility framework described in your deliverable.

24. Is modification of the total number of IT staff (centralized and remaining w/agencies) in scope?

No.

25. If known, how many unique position descriptions are expected to be delivered?

The number of position descriptions will be based on your proposed framework. There is no preset expectation.

26. Who will approve, the proposed organization structure, and will that be a part of the Area Two project timeline, or be completed after deliverable due date?

OET will approve deliverables. Include dates, any changes to the SOW including additional steps in your reply. (Reference 3C in the Response Requirements section) Deliverables inform subsequent phases and will start after deliverable dates.

Area Three: Service Level Agreement Framework

27. On a scale from 1 to 5 (5 being most mature) how would you rank the maturity of OET's existing Service Level Management capability?

Not relevant

28. On a scale from 1 to 5 (5 being most mature) how would you rank the maturity of OET's existing Service Catalog?

Not relevant.

29. How do you currently determine customer satisfaction of your services?

Not relevant.

30. Do you have a service portfolio management process in place today? If so, how is it integrated into the service catalog management process?

Not relevant.

31. Do your SLAs need to include service pricing?

If available, specify how they are priced and bundled.

32. Which of the following options below would you select to characterize the gap between the State's current service delivery capabilities and the desired future state "OET Utility IT" service organization?

- a. Small - we understand the desired future state "OET Utility IT" service model and we know the process and capabilities that are required to get there. We just need outside help to facilitate the transition and provide additional capacity to complete it within our time frame.
- b. Medium - we understand conceptually what the desired future state "OET Utility IT" service model looks like but we need help in defining it from a practical implementable state and then deploying it.
- c. Large - we need to meet the requirements of the new legislation and we require help in the aspects of realizing the desired future state "OET Utility IT" service organization.

Not relevant.

33. What is the most recent date of the inventory including staff, infrastructure and other related components to this SOW?

Not relevant.

34. This SOW is defined as analysis, yet there are components which require input from resources who have implemented this type of effort. If resources are utilized in the planning sessions are these resources prohibited from participating in future implementation work at the State?

No.